

Public Law 96-401
96th Congress

An Act

Relating to certain leases involving the Secretary of the Interior and the Northern
Cheyenne Indian Reservation.Oct. 9, 1980
[S. 2126]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

Northern
Cheyenne
Indian
Reservation,
leases.

(1) certain mineral leases and prospecting permits entered into between the Northern Cheyenne Tribal Council and private parties in 1969, 1970, and 1971, presently encumber approximately 56 per centum of the lands within the boundaries of the Northern Cheyenne Indian Reservation;

(2) due to the likelihood of permanent and large-scale physical and social disruption of their tribal community that would result from development under such leases and permits, the Northern Cheyenne Indian Tribe has been and continues to be opposed to any development under these leases and permits;

(3) although such leases and permits were approved by representatives of the Secretary of the Interior, there are serious questions whether such approval is lawful and consistent with the trust responsibility of the Secretary of the Interior to "act in the best interests" of Indian tribes and individuals;

(4) the present impasse with regard to such leases and permits, unless resolved, can only result in expensive and time-consuming litigation that does not hold out the likelihood of a satisfactory solution that would be fair to all parties; and

(5) cancellation of such leases and permits, and providing a fair remedy to any party or parties whose property interest, invested in good faith, would be adversely affected by such cancellation, appears to be the most direct and effective manner within which to resolve this impasse.

SEC. 2. For the purpose of entering into a cancellation agreement under section 3 of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to negotiate with the Northern Cheyenne Tribe and each party holding a lease, permit, or right to a lease issued under the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396a), as follows:

Cancellation
agreement
negotiations.

Name of companies	Document numbers	Document dates
Leases		
Peabody Coal Company	14-20-0257-897	November 17, 1970
	14-20-0257-899	November 17, 1970
	14-20-0257-900	November 17, 1970
	14-20-0257-901	November 17, 1970
	14-20-0257-902	November 17, 1970
	14-20-0257-903	November 17, 1970
Permits		
Peabody Coal Company	C-57-P-30	August 18, 1969
	C-57-P-31	August 18, 1969
	C-57-P-32	August 18, 1969
	C-57-P-42	May 21, 1971
Bruce L. Ennis (now assigned to Chevron Oil)		
Bruce L. Ennis	C-57-P-45	June 14, 1971
Norsworthy and Reger, Incorporated	C-57-P-46	June 14, 1971
	C-57-P-47	June 14, 1971
Consolidation Coal Company	C-57-P-43	May 21, 1971
Meadowlark Farms, Incorporated (subsidiary of AMAX, Incorporated)	C-57-P-40	May 21, 1971
	C-57-P-41	May 21, 1971
	C-57-P-44	May 21, 1971

SEC. 3. (a) With respect to any lease, permit, or right to a lease referred to in section 2 of this Act, the Secretary is authorized to execute a cancellation agreement under which the Secretary, the Northern Cheyenne Tribe, and the party holding such lease, permit, or right to a lease agree in writing that such lease, permit, or right to a lease is canceled and under which such party shall be issued:

Federal coal
leases.

Bidding rights
certificate.

(1) a noncompetitive lease or leases for such federally owned coal deposits which for the foreseeable future are unlikely to be separately mined efficiently or economically except by incorporation into an existing mining unit controlled by such party, and for the surface of public lands containing such deposits, as may be agreed upon by the Secretary and such party. Such lease or leases shall be issued at the fair market value provided for in subsection (c) of this section only after a determination by the Secretary that such deposits and lands are acceptable for further consideration for coal leasing: *Provided*, That such cancellation agreement shall also provide that if, after further consideration, the Secretary determines that all or any part of such deposits or lands are not acceptable for coal leasing, such party shall be issued a certificate of bidding rights that may be used to acquire Federal coal leases at competitive sales. Such bidding rights shall have a value equal to the amount of the actual cash investment, plus interest on such investment compounded at a rate not to exceed 7 per centum per annum, made by the party involved in connection with the lease, permit, or right to a lease to be canceled under such cancellation agreement, multiplied by the percentage of the otherwise recoverable tonnage of any coal deposits for which the party does not, by reason of such determination by the Secretary, receive a lease under this subsection; or,

(2) a certificate of bidding rights that may be used to acquire Federal coal leases at competitive sales. Such bidding rights shall have a value equal to the amount of the actual cash investment, plus interest on such investment compounded at a rate not to exceed 7 per centum per annum, made by the party involved in connection with the lease, permit, or right to a lease to be canceled under such cancellation agreement.

(b) A determination by the Secretary under subsection (a)(1) of this section shall be final.

Final determination.

(c) Any noncompetitive lease issued under subsection (a)(1) of this section shall be valued at a sum equal to fair market value, as determined by the Secretary. Any bonus due may be reduced by an amount equal to so much of the investment and interest on such investment, compounded at a rate not to exceed 7 per centum per annum, made by the party involved in connection with the lease, permit, or right to a lease, to be canceled under this section as the Secretary may consider appropriate.

Fair market value.

Bonus.

(d) Any lease issued under subsection (a)(1) of this section shall, except as provided in this Act, be issued under, and be subject to the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.), and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).

SEC. 4. (a) With respect to any lease referred to in section 2 of this Act, any cancellation agreement entered into pursuant to section 3 of this Act shall be valid only if executed in writing, before November 1, 1980, by the Secretary, the Northern Cheyenne Tribe, and the party holding the lease. If such cancellation agreement is not so executed, such lease shall be canceled on November 1, 1980.

Deadlines.

(b) With respect to any permit or right to a lease referred to in section 2 of this Act, any cancellation agreement entered into pursuant to section 3 of this Act shall be valid only if executed in writing, on or before January 1, 1982, by the Secretary, the Northern Cheyenne Tribe, and the party holding the permit or right to a lease. If such cancellation agreement is not so executed, such permit or right to a lease shall be canceled upon the expiration of a period ending ninety days after any date on which the Secretary, the Northern Cheyenne Tribe, and such party agree in writing that negotiations under section 2 of this Act are at an impasse, or on January 1, 1982, whichever occurs first.

(c) If any lease, permit, or right to a lease is canceled under subsection (a) or (b) of this section, the United States Court of Claims shall have jurisdiction to render judgment on any claim against the United States arising out of such cancellation.

U.S. Court of Claims, jurisdiction.

SEC. 5. (a) Execution of any cancellation agreement under section 3 of this Act shall extinguish any claim or liability that may otherwise arise in connection with the lease, permit, or right to a lease canceled under such agreement.

Extinguished claim or liability.

Claim or
liability.

Report to
Congress.

(b) With respect to any lease, permit, or right to a lease canceled under section 4 of this Act, nothing in this Act shall establish or extinguish any claim or liability that may arise in connection with such lease, permit, or right to a lease so canceled.

SEC. 6. Not later than March 1, 1982, the Secretary shall report to the Congress on the implementation of this Act.

Approved October 9, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-1370 (Comm. on Interior and Insular Affairs).

SENATE REPORT No. 96-883 (Comm. on Indian Affairs).

CONGRESSIONAL RECORD, Vol. 126 (1980):

Aug. 18, considered and passed Senate.

Sept. 29, considered and passed House.